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Note verbale dated 29 July 2010 from the Permanent Mission of Austria to the United Nations addressed to the Chairman of the Committee

The Permanent Mission of Austria to the United Nations presents its compliments to the Chairman of the Committee and has the honour to transmit herewith the report pursuant to paragraph 31 of resolution 1929 (2010) on the steps taken by the Government of Austria with a view to implementing the relevant provisions of the resolution (see annex).

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Annex to the note verbale dated 29 July 2010 from the Permanent Mission of Austria to the United Nations addressed to the Chairman of the Committee

Implementation by Austria of Security Council resolution 1929 (2010)

Austria, as member State of the European Union (EU) implements the restrictive measures against Iran imposed by the Security Council in its resolution 1929 (2010) by taking the following measures:

First, the following legal acts of the EU and/or (previously) the European Community (EC) have been adopted:

- Council Decision 2010/413/CFSP of 26 July 2010

  The Council Decision sets out the EU commitment to the implementation of all the measures contained in Security Council resolution 1929 (2010), and provides the basis for EU-specific accompanying measures within the scope of the resolution, notably:

  - Export ban on certain other items, in addition to those determined by the sanctions committee, which could contribute to Iran's nuclear-related programme or other weapons of mass destruction-related programmes
  - Autonomous designations under the visa ban and the asset freeze, to be decided by the Council of the EU, of persons and entities involved in proliferation-sensitive nuclear activities or in violations of Security Council resolutions, of individuals and entities of the Islamic Revolutionary Guard Corps and of the Islamic Republic of Iran Shipping Lines and its subsidiaries
  - Enhanced vigilance over the activities of financial institutions within the jurisdiction of EU member States with banks and financial entities linked to Iran, notably through a prior authorization regime for all transactions above a certain amount
  - Prohibition to open new branches and subsidiaries of Iranian banks in EU and to establish new banking relationships with Iranian banks
  - Prohibition to provide insurance and re-insurance to Iranian entities
  - Prohibition of sale, purchase and brokering of governments bonds
  - Measures in the transport sector concerning the prohibition for Iranian cargo flights to have access to EU airports and the prohibition to provide engineering and maintenance services to Iranian cargo flights

- Council implementing Regulation (EU) No. 668/2010 of 26 July implementing Article 7(2) of the Council Regulation (EC) No. 423/2007 on restrictive measures against Iran

  In addition to Council Decision 2010/413/CFSP, the Council adopted on 26 July 2010 a regulation implementing Article 7(2) of the Council Regulation (EC) No. 423/2007 on restrictive measures against Iran in order to legally

enforce the asset freeze for the new EU autonomous designations of persons and entities.

- Council Regulation amending Council Regulation (EC) No. 423/2007 on restrictive measures against Iran

  The Council will adopt in the near future a Council regulation amending Council Regulation (EC) No. 423/2007 in order to implement the measures provided for in Council Decision 2010/413/CFSP of 26 July 2010 which fall under the competence of the Union.

- Commission Regulation (EU) No. 532/2010

  Commission Regulation No. 532/2010 amends the Council Regulation by including the persons and entities designated by the Security Council on 9 June 2010 in the list of persons, entities and bodies subject to the asset freeze as set out in annex IV to Council Regulation No. 423/2007.

- Council Regulation (EC) No. 539/2001 of 15 March 2001 (and its subsequent amendments). This Regulation requires nationals of Iran to be in possession of a visa when entering the European Union.

In addition, Austria implements the provisions specified in paragraph 31 of Security Council resolution 1929 (2010) by both the above-mentioned EU measures and the following Austrian legislation:

- With regard to the obligation contained in paragraph 7 of Security Council resolution 1929 (2010), article 5 of Council Decision 2010/413/CFSP of 26 July 2010 prohibits investments in the territories under the jurisdiction of member States by Iran, its nationals and entities incorporated in Iran or subject to its jurisdiction, or by persons or entities acting on their behalf or at their direction, or by entities owned or controlled by them in any commercial activity involving uranium mining, production or use of nuclear materials and technology, in particular uranium enrichment and reprocessing activities, all heavy water-related activities or technologies related to ballistic missiles capable of delivering nuclear weapons.

- With regard to the obligations contained in paragraph 8 of Security Council resolution 1929 (2010), the legal basis for their implementation is a national authorization procedure established by the above-mentioned Council Regulations, the Foreign Trade Act (FTA, Federal Law Gazette I, No. 50/2005 as amended) and the Foreign Trade Regulation (FTAR, Federal Law Gazette II, No. 121/2006) as well as the War Materials Act (WMA, Federal Law Gazette I, No. 540/1977 as amended). Non-compliance with the FTA or the WMA constitutes a criminal offence punishable with up to five years of imprisonment if related to nuclear, biological or chemical weapons or carrier systems for such weapons and with up to two years of imprisonment or payment of a fine of up to 360 daily rates in other cases.

- With regard to the obligation contained in paragraph 9 of Security Council resolution 1929 (2010), the legal basis for its implementation is also the Foreign Trade Act (FTA, Federal Law Gazette I, No. 50/2005) as the authorization procedure established by the FTA covers also the transfer of technology. Technical assistance is generally forbidden by section 10 of the FTA. Violations of these provisions constitute criminal offences that are

punishable with up to five years of imprisonment if related to nuclear, biological or chemical weapons or carrier systems for such weapons and with up to two years of imprisonment or payment of a fine of up to 360 daily rates in other cases.

- With regard to the obligation contained in paragraph 10 of Security Council resolution 1929 (2010), the legal basis for its implementation is

  - Section 7 of the Federal Law on the Implementation of International Sanctions (Sanctions Law, Federal Law Gazette I, No. 36/2010)

  - the Aliens Police Law (Federal Law Gazette I, No. 157/2005 as amended)

  - the Law on Residence (Federal Law Gazette I, No. 100/2005 as amended)

  These provisions empower the competent Austrian authorities to impose the appropriate travel or entry restrictions as well as to notify the Committee in accordance with this paragraph.

- With regard to the obligation contained in paragraphs 11, 12 and 19 of Security Council resolution 1929 (2010), the legal basis for their implementation are:

  - Section 2, paragraph 1, and section 11, paragraphs 1 and 12, paragraph 1 of the Federal Law on the Implementation of International Sanctions (Sanctions Law, Federal Law Gazette I, No. 36/2010); section 11, paragraph 1, stipulates that whoever performs a financial or other legal transaction exceeding a total value of €100,000 contrary to a regulation or a decision issued against him pursuant to section 2, paragraph 1, or contrary to directly applicable sanctions of the European Union shall be punished with imprisonment of up to one year or a fine of up to 360 daily rates, unless the offence is subject to a more severe punishment pursuant to another provision; section 12, paragraph 1, stipulates that whoever performs a financial or other legal transaction contrary to a regulation or a decision issued against him pursuant to section 2, paragraph 1, or contrary to directly applicable sanctions of the European Union, commits an administrative offence and shall be punished by the District Administrative Authority — or by the Federal Police Directorate within its area of jurisdiction — with a fine of up to €50,000.

  - Section 6 of the Federal Law on the Implementation of International Sanctions (Sanctions Law, Federal Law Gazette I, No. 36/2010) provides that the freezing of assets that are subject to an entry into the land register or the company register is to be recorded by the competent court in the land register or the company register.

  - As a subsidiary legal basis, the Austrian Exchange Control Act (Federal Law Gazette I, No. 123/2003), which stipulates that non-compliance with regulations of the European Union or relevant Austrian Federal Government regulations concerning the freezing of funds is a criminal offence punishable with up to one year of imprisonment, can be applied.

- With regard to the obligation contained in paragraph 13 of Security Council resolution 1929 (2010), Austria applies annex I of Council Regulation (EC) No. 428/2009 of 5 May setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items.

- With regard to the obligations contained in paragraphs 14 to 18 and 20 of Security Council resolution 1929 (2010), the Austrian customs authorities are authorized to conduct inspections regarding all cargo from and to Iran including the right to seize goods if necessary. The relevant legal provisions are established under applicable Austrian and EU customs laws (the Community Customs Code, the Commission Regulation laying down provisions for the implementation of the Community Customs Code, National Austrian Customs Regulations, the Foreign Trade Act as well as existing EU regulations concerning restrictive measures against Iran). In addition, the obligations under paragraphs 14 to 18 and 20 of Security Council resolution 1929 (2010) are also regulated by Council Decision 2010/413/CFSP of 26 July 2010.

- With regard to the obligation contained in paragraph 21 of Security Council resolution 1929 (2010), the Austrian cover policy and agreements between the competent Austrian authorities and Austria's official export credit agency ensure a very vigilant assessment of any new commitment for public provided financial support for trade with Iran including the granting of export credits, guarantees and insurance.

- With regard to the appeal contained in paragraph 22 of Security Council resolution 1929 (2010), the Ministry of Finance issued a statement calling on the Austrian Federal Economic Chamber and national financial institutions to exercise vigilance concerning business activities with Iranian banks. Further, the vigilant scrutiny for new export credits, guarantees and insurance mentioned above regarding the implementation of paragraph 22 also includes an assessment of the financial institutions involved in such transactions and their branches and subsidiaries abroad.

- With regard to the appeal contained in paragraphs 23 and 24 of Security Council resolution 1929 (2010), Council Decision 2010/413/CFSP of 26 July 2010 includes a prohibition to open new branches and subsidiaries of Iranian banks in the EU and to establish new banking relationships with Iranian banks.